

May 15, 2003

Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Ex Parte Comments Re: Federal-State Joint Board on Universal
Service, CC Docket 96-45; and CC Dockets 98-171, 90-571, 92-
237, 99-200, 95-116, 98-170

Dear Ms. Dortch:

The National Consumers League (NCL) wishes to join the chorus of consumer, disability, and community groups that oppose the proposal to change the way in which Universal Service Fund (USF) contributions are collected to a per-line fee. NCL is a private, nonprofit advocacy organization that was founded in 1899 to identify, protect, represent, and advance the economic and social interests of consumers and workers.

The USF is vital to ensuring that telecommunications service is available to all. NCL shares the view of AARP that contributing to the USF is a cost of doing business that should be reflected in the rates for telephone service, rather than expressed as a line item on customer's bills. However, if the USF contribution remains as a line item, it should continue to be assessed as a percentage of charges for long-distance calls, not as a flat per-line fee.

It would be unfair and inequitable to low-volume telephone users to pay the same fee as high-volume users. Comments to the FCC have indicated that many of those low volume users are people on low incomes who can ill-afford the significant rise in their monthly telephone bills that would result from a flat fee charge.

NCL is also concerned about the negative impact of such a charge on consumers who rely on alternative forms of service that cater to low-income users such as prepaid wireless. The FCC must be careful not to take any action that would disadvantage certain classes of consumers or service providers. The present system based on percentage of long-distance revenue, while not perfect, seems to be the most equitable manner of assessing USF contributions.

Sincerely,

Susan Grant
Vice President for Public Policy
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